
**FINDINGS WITH REGARD TO
BRENTWOOD MOBILEHOME PARK
REQUEST FOR RENT INCREASE**

In accordance with Chula Vista Municipal Code Sections 2.31 [Mobile Home Rent Review Commission] et.seq., and 9.50 [Mobilehome Park Space Rent Review] et. seq., the Mobilehome Rent Review Commission (the "Commission") heard and considered testimony and evidence at public hearings on May 19, June 16, and July 15, 2010, regarding proposed space rent increases for certain residents of Brentwood Mobile Home Park (the "Park"). At the hearings, the Commission considered the following:

1. Testimony and documents submitted by the owner of the Park ("Park Owner"). All documents and testimony were admitted.
2. Testimony and documentation submitted by the affected residents ("Affected Residents"), other residents of the Park, and other members of the public. All documents and testimony were admitted.
3. Documentation and recommendations submitted by City staff ("City Staff"), including, but not limited to the City Staff's "Report to the Mobilehome Rent Review Commission," in connection with this matter. All documents and testimony were admitted.

Having heard and considered all of the above, the Commission finds as follows:

1. On January 31, 2010, the owner of Brentwood Mobile Home Park, Brentwood MHC Investors, Inc., ("Park Owner") issued Notices of space rent increase, in excess of the annual permissive rent increase, affecting two hundred (200) residents. Of these Notices one hundred fifty nine (159) were effective on May 1, 2010; thirty (30) were effective on August 1, 2010; five (5) were effective October 1, 2010; two (2) were effective November 1, 2010; three (3) were effective February 1, 2011; and one (1) was effective on April 1, 2011.
2. As to the Notices, the Park Owner complied with the noticing and procedural requirements contained in Municipal Code Chapter 9.50, in order to increase space rents in excess of the Annual Permissive Rent Increase. The Notices seek to increase the space rent above the annual permissive rent increase, -0.6 percent at time of noticing.
3. At least one resident affected by the Notice complied ("Affected Residents") with the procedural requirements of Chapter 9.50 to initiate a rent review hearing by the Mobilehome Rent Review Commission.
4. The City provided the Park Owner and the Affected Residents with adequate notice that the Commission would consider the Requests for Hearing relative to the two hundred (200) spaces affected by the Notices, at its special meeting on May 19th, and subsequent hearings of June 16th and July 15, 2010.
5. The Park Owner has incurred costs associated with the recent acquisition of the Park, including increased ground lease payments, and with repairs, upgrades, and improvements to the Park.

6. The replacement of the Electrical System and Fire Hydrant System were required as a result of Code violations. The Park Owner was aware of the condition of the Electrical and Fire Hydrant Systems and attendant code violations at the time of purchase of the Park.
7. The new site construction that resulted in nine (9) additional mobilehome spaces for rent produces additional income/monies for the Park Owner. The additional rental spaces are not rent restricted.
8. The ground lease extension will produce additional income/monies during the term of the lease extension for the Park Owner.

Based upon all of the evidence submitted in this matter, the Commission determines that space rent increases for all two hundred (200) affected spaces shall be approved in the amount of an additional \$45 per month over a three (3) year period (\$15 monthly increase in Year 1, \$15 in Year 2, and \$15 in Year 3). The Commission further finds that certain incurred expenses shall be excluded from the original request, as follows:

- Electrical System upgrade/replacement - Expenses for the Electrical System upgrade/replacement shall be reduced to approximately 40% of the requested pass through to residents on the basis that the Park Owner replaced the entire Electrical System rather than solely upgrading the system and the replacement was required because of serious code violations and, as such, not recoverable under CVMC section 9.50.073(A)(g)(v).
- Fire Hydrant System installation - Expenses for the Fire Hydrant System shall not be considered as a pass through as this is a reasonable safety measure that should be expected and provided by the Park and because the expense was due to code violations involving the Fire Hydrant System and, as such, not recoverable under CVMC section 9.50.073(A)(g)(v).
- New site construction - Expenses related to the nine (9) new sites that are not governed under CVMC 9.50, shall not be passed through as this is direct profit for the Park Owner, and as such, not recoverable under CVMC section 9.50.073(A)(g)(v).
- One time ground lease extension – This expense shall not be considered as a pass through, as the Park Owner will benefit (have the ability to produce/derive continued rent revenues) from this extension over the term of the lease extension and, as such, not recoverable under CVMC 9.50.073(A)(g)(v).

Accordingly, the Commission approves the requested rent increases for the Affected Residents; within Brentwood Mobile Home Park, which are the subject of this hearing. The approved rent increases and respective effective dates, as originally noticed in the January 31st proposed rent increase notices, are as reflected in the attached Table 1.

Notice is given that judicial review of this decision may be had and in accordance with the time frames pursuant to Code of Civil Procedure sections 1094.5 and 1094.6. This decision becomes final on the date that it is executed by the Chair of the Mobile Home Rent Review Commission.

By: 

Cesar Padilla, Chair
Mobile Home Rent Review Commission

10/20/10

Date

PASSED AND APPROVED BY THE MOBILEHOME RENT REVIEW COMMISSION OF
CHULA VISTA, CALIFONRIA, this 20th day of October, 2010 by the following vote, to-wit:

AYES: Gonzalez, Longanecker, Padilla, Riesgo

NOES:

ABSENT:

ABSTENTIONS: Thompson

BY:

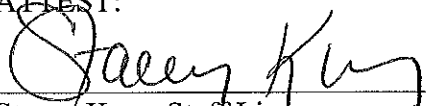


Cesar Padilla, Chair
Mobile Home Rent Review Commission

10/20/10

Date

ATTEST:



Stacey Kurz, Staff Liason